

ACTION
OCA 87-5120

OFFICE OF CONGRESSIONAL AFFAIRS

Routing Slip

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation	XXX	
3. DD/Senate Affairs		X
4. Ch/Senate Affairs		
5. DD/House Affairs		X
6. Ch/House Affairs		
7. Admin Officer		
8. Executive Officer		
9. FOIA Officer		
10. Constituent Inquiries Officer		
11. 		X
12. 		

SUSPENSE 9 Oct 87
Date

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ATTACHMENT WITH ACTION OFFICER

6 Oct 87
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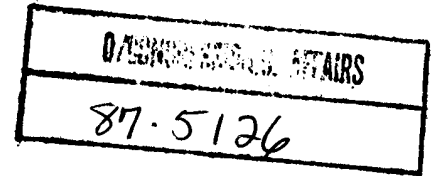
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503



October 5, 1987

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer -

LOGA FILE

LEG

Office of Personnel Management
Department of Defense (Sec. 4)
Department of Health and Human Services (Secs. 8(b); 16;
22; 24)
Department of the Interior (Sec. 3)
Department of Labor (Secs. 22 and 24)
Department of State
Department of the Treasury (Sec. 3)
✓ Central Intelligence Agency
Veterans Administration (Sec. 26)

SUBJECT: H.R. 3395, Federal Employees Retirement System (FERS)
Technical Corrections bill.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than Friday, October 9, 1987. This bill may be brought to the House floor in the near future.

Questions should be referred to Hilda Schreiber (395-7362), the legislative analyst in this office.

Naomi R. Sweeney
Naomi R. Sweeney for
Assistant Director for
Legislative Reference

Enclosures

100th CONGRESS

1st SESSION

H.R. 3395


(Original signature of Member)

H.L.C.

Making technical corrections relating to the Federal Employees' Retirement System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

10/1, 1987

Mr. FORD of Michigan introduced the following bill; which was referred to the Committee on Post Office and Service

A BILL

- 1 *Be it enacted by the Senate and House of Representatives of the United*
- 2 *States of America in Congress assembled,*

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1 **SECTION 1. REFERENCES.**

2 Except as otherwise expressly provided, whenever in this
 3 Act an amendment or repeal is expressed in terms of an
 4 amendment to, or a repeal of, a section or other provision,
 5 the reference shall be considered to be made to a section or
 6 other provision of title 5, United States Code.

7 **SEC. 2. DEPOSITS FOR ``COVERED SERVICE`` AFTER 1986 FOR**
 8 **EMPLOYEES UNDER CSRS OFFSET PROVISIONS.**

9 Section 8334(c) is amended by striking the period at the
 10 end of the last sentence and inserting in lieu thereof the
 11 following: `` , and, with respect to any such service
 12 performed after December 31, 1986, be equal to the amount
 13 that would have been deducted from the employee's basic pay
 14 under subsection (k) of this section if the employee's pay -
 15 had been subject to that subsection during such period.``.

16 **SEC. 3. AMENDMENTS RELATING TO LAW ENFORCEMENT OFFICERS AND**
 17 **FIREFIGHTERS.**

18 **(a) MAXIMUM ENTRY AGES.--**

19 **(1) IN GENERAL.--**Section 3307 is amended--

20 **(A)** in subsection (d), by striking ``may, with
 21 the concurrence of such agent as the President may
 22 designate,`` and inserting in lieu thereof ``may``;
 23 and

24 **(B)** by adding at the end the following:

25 `` (e) The head of an agency may determine and fix the

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1 maximum age limit for an original appointment to a position
 2 as a firefighter or law enforcement officer, as defined by
 3 section 8401(14) or (17), respectively, of this title.''.
 4

5 (2) CLARIFYING AMENDMENTS.--Paragraphs (14)(A)(ii)
 6 and (17) of section 8401 are amended by striking ``are
 7 required to be'' each place those words appear and
 8 inserting in lieu thereof ``should be''.

9 (b) DEFINITION UNDER THE LIFE INSURANCE PROGRAM.--Section
 10 8704(c)(2) is amended by inserting ``or 8401(17)'' after
 11 ``8331(20)''.

12 (c) AMENDMENTS TO DEFINITIONS.--

13 (1) LAW ENFORCEMENT OFFICERS.--Section 8401(17) is
 14 amended--

15 (A) by redesignating subparagraphs (B) and (C) as
 16 subparagraphs (C) and (D), respectively;

17 (B) by inserting after subparagraph (A) the
 18 following:

19 `` (B) an employee of the Department of the Interior
 20 or the Department of the Treasury (excluding any employee
 21 under subparagraph (A)) who occupies a position that, but
 22 for the enactment of the Federal Employees' Retirement
 23 System Act of 1986, would be subject to the District of
 24 Columbia Police and Firefighters' Retirement System, as
 25 determined by the Secretary of the Interior or the
 Secretary of the Treasury, as appropriate;''; and

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1 (C) by amending subparagraph (C), as so
2 redesignated by subparagraph (A), to read as follows:

3 `` (C) an employee who is transferred directly to
4 a supervisory or administrative position after
5 performing duties described in subparagraph (A) or
6 (B); and ``.

7 (2) FIREFIGHTERS.--Section 8401(14)(B) is amended by
8 striking ``for at least 10 years``.

9 (d) COORDINATION OF FERS WITH THE DISTRICT OF COLUMBIA
10 POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM FOR EMPLOYEES OF
11 THE PARK POLICE AND THE SECRET SERVICE.--

12 (1) IN GENERAL.--Section 4-607(1) of title 4 of the
13 District of Columbia Code is amended by striking the
14 period and inserting in lieu thereof the following: ``,
15 but does not include an officer or member of the United
16 States Park Police force, or of the United States Secret
17 Service Division, whose service is employment for the
18 purposes of title II of the Social Security Act and
19 chapter 21 of the Internal Revenue Code of 1986, and who
20 is not excluded from coverage under chapter 84 of title
21 5, United States Code, by operation of section 8402 of
22 such title.``.

23 (2) CONFORMING AMENDMENT.--Section 8401(11)(i)(II) is
24 amended by striking ``(other than an employee of the
25 United States Park Police, or the United States Secret

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1 Service, whose civilian service after December 31, 1983,
2 is such employment)''.

3 (e) OFFSETS TO PREVENT FULL DOUBLE COVERAGE FOR EMPLOYEES
4 OF THE PARK POLICE AND THE SECRET SERVICE.--Notwithstanding
5 any other provision of law, in the case of an employee of the
6 United States Secret Service or the United States Park Police
7 whose pay is simultaneously subject to a deposit requirement
8 under the District of Columbia Police and Firefighters'
9 Retirement and Disability System and the contribution
10 requirement under section 3101(a) of the Internal Revenue
11 Code of 1986-- .

12 (1) any deposits under the District of Columbia
13 Police and Firefighters' Retirement and Disability System
14 shall be adjusted in a manner consistent with section
15 8334(k) of title 5, United States Code (relating to
16 offsets in deductions from pay to reflect OASDI
17 contributions); and

18 (2) any benefits payable under the District of
19 Columbia Police and Firefighters' Retirement and
20 Disability System based on the service of any such
21 employee shall be adjusted in a manner consistent with
22 section 8349 of title 5, United States Code (relating to
23 offsets to reflect benefits under title II of the Social
24 Security Act).

25 (f) EFFECTIVE DATE.--This section, and the amendments,

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1 made by this section shall be effective as of January 1,
2 1987.

3 **SEC. 4. MILITARY SERVICE DEPOSITS BY SURVIVORS.**

4 (a) Section 8422(e) is amended by adding at the end the
5 following:

6 `` (5) For the purpose of survivor annuities, deposits
7 authorized by this subsection may also be made by a survivor
8 of an employee or Member. ``.

9 (b) Section 8411(c)(4)(A) is amended by striking
10 ``subsection (f)(4)`` and inserting in lieu thereof ``section
11 8422(e)(5)``.

12 **SEC. 5. DEPOSITS AND REFUNDS RELATING TO CERTAIN SERVICE**

13 **UNDER THE CIVIL SERVICE RETIREMENT SYSTEM.**

14 (a) **DEPOSIT FOR SERVICE COVERED BY REFUND PERMITTED ONLY**
15 **IF REFUND WAS PURSUANT TO APPLICATION FILED BEFORE BECOMING**
16 **SUBJECT TO FERS.**--Section 8411(f)(1) is amended by adding at
17 the end the following: ``A deposit under this paragraph may
18 be made only with respect to a refund received pursuant to an
19 application filed with the Office before the date on which
20 the employee or Member first becomes subject to this
21 chapter.``.

22 (b) **LUMP-SUM CREDIT FOR CERTAIN CSRS SERVICE SOUGHT AFTER**
23 **BECOMING SUBJECT TO FERS IS PAYABLE TO THE EXTENT THAT IT**
24 **EXCEEDS 1.3 PERCENT OF BASIC PAY.**--The last sentence of
25 section 8342(a), as added by section 207(h) of the Federal

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1 Employees' Retirement System Act of 1986 (Public Law 99-335;
2 100 Stat. 596) is amended to read as follows: ``In applying
3 this subsection to an employee or Member who becomes subject
4 to chapter 84 (other than by an election under title III of
5 the Federal Employees' Retirement System Act of 1986) and
6 who, while subject to such chapter, files an application with
7 the Office for a payment under this subsection--

8 `` (i) entitlement to payment of the lump-sum credit
9 shall be determined without regard to paragraph (1) or
10 (3) if, or to the extent that, such lump-sum credit
11 relates to service of a type described in clauses (i)
12 through (iii) of section 302(a)(1)(C) of the Federal
13 Employees' Retirement System Act of 1986; and

14 `` (ii) if, or to the extent that, the lump-sum credit
15 so relates to service of a type referred to in clause
16 (i), it shall (notwithstanding section 8331(8)) consist
17 of--

18 `` (I) the amount by which any unrefunded amount
19 described in section 8331(8)(A) or (B) relating to
20 such service, exceeds 1.3 percent of basic pay for
21 such service; and

22 `` (II) interest on the amount payable under
23 subclause (I), computed in a manner consistent with
24 applicable provisions of section 8331(8).''.

25 SEC. 6. OPTION FOR CERTAIN EMPLOYEES TO ELECT FERS COVERAGE.

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1 Section 301(a) of the Federal Employees' Retirement
2 System Act of 1986 (Public Law 99-335; 100 Stat. 599) is
3 amended by adding at the end the following:

4 `` (3)(A) Except as provided in subparagraph (B), any
5 individual--

6 `` (i) who is excluded from the operation of
7 subchapter III of chapter 83 of title 5, United States
8 Code, under subsection (g), (i), (j), or (l) of section
9 8347 of such title, and

10 `` (ii) with respect to whom chapter 84 of title 5,
11 United States Code, does not apply because of section
12 8402(b)(2) of such title,

13 shall, for purposes of an election under paragraph (1) or
14 (2), be treated as if such individual were subject to
15 subchapter III of chapter 83 of title 5, United States Code.

16 `` (B) An election under this paragraph may not be made by
17 any individual who would be excluded from the operation of
18 chapter 84 of title 5, United States Code, under section
19 8402(c) of such title (relating to exclusions based on the
20 temporary or intermittent nature of one's employment).

21 **SEC. 7. CERTAIN CSRS SERVICE CREDITABLE TO DETERMINE**

22 **ELIGIBILITY FOR 1.1 PERCENT ACCRUAL RATE.**

23 Section 302(a)(1)(D) of the Federal Employees' Retirement
24 System Act of 1986 (Public Law 99-335; 100 Stat. 602) is
25 amended--

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1 (1) by striking ``and`` at the end of subclause (IV);

2 (2) by striking the period at the end of subclause

3 (V) and inserting in lieu thereof ``; and``; and

4 (3) by adding after subclause (V) the following:

5 `` (VI) the provision of subsection (g) of section
6 8415 which relates to the minimum period of service
7 required to qualify for the higher accrual rate under
8 such subsection.``.

9 **SEC. 8. AMENDMENTS RELATING TO MISCELLANEOUS PROVISIONS OF**

10 **LAW EXTENDING COVERAGE OR BENEFITS UNDER**

11 **CERTAIN FEDERAL PROGRAMS TO INDIVIDUALS NOT**

12 **OTHERWISE ELIGIBLE.**

13 (a) **TERMINATION OF CERTAIN SPECIAL ELIGIBILITY**

14 **PROVISIONS.--**

15 (1) **CIVIL SERVICE RETIREMENT SYSTEM.--**Section 8347 is
16 amended by adding at the end the following:

17 `` (o) Any provision of law outside of this subchapter
18 which provides coverage, service credit, or any other benefit
19 under this subchapter to any individuals who (based on their
20 being employed by an entity other than the Government) would
21 not otherwise be eligible for any such coverage, credit, or
22 benefit, shall not apply with respect to any individual
23 appointed, transferred, or otherwise commencing that type of
24 employment on or after October 1, 1988.``.

25 (2) **LIFE INSURANCE.--**

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1 (A) IN GENERAL.--Section 8713 of title 5, United
2 States Code, is amended to read as follows:

3 ``§8713. Effect of other statutes

4 ``Any provision of law outside of this chapter which
5 provides coverage or any other benefit under this chapter to
6 any individuals who (based on their being employed by an
7 entity other than the Government) would not otherwise be
8 eligible for any such coverage or benefit shall not apply
9 with respect to any individual appointed, transferred, or
10 otherwise commencing that type of employment on or after
11 October 1, 1988.''.
12

13 (B) CHAPTER ANALYSIS.--The analysis for "chapter
14 87 of title 5, United States Code, is amended by
15 striking the item relating to section 8713 and ,
inserting in lieu thereof the following:

16 ``8713. Effect of other statutes.''.
17

18 (3) HEALTH INSURANCE.--

19 (A) IN GENERAL.--Chapter 89 of title 5, United
20 States Code, is amended by adding at the end the
21 following:

22 ``§8914. Effect of other statutes

23 ``Any provision of law outside of this chapter which
24 provides coverage or any other benefit under this chapter to
any individuals who (based on their being employed by an
entity other than the Government) would not otherwise be

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1 eligible for any such coverage or benefit shall not apply
 2 with respect to any individual appointed, transferred, or
 3 otherwise commencing that type of employment on or after
 4 October 1, 1988.''. .

5 (B) CHAPTER ANALYSIS.--The analysis for chapter
 6 89 of title 5, United States Code, is amended by
 7 adding at the end the following:

''8914. Effect of other statutes.''. .

8 (b) EXTENSION OF OFFSET PROVISIONS UNDER CHAPTER 83.--

9 (1) CONTRIBUTIONS.--Section 8334(k) is amended by
 10 adding at the end the following:

11 ''(4) In administering paragraphs (1) through (3)--

12 ''(A) the term 'an individual described in section
 13 8402(b)(2) of this title' shall be considered to include
 14 any individual--

15 ''(i) who is subject to this subchapter as a
 16 result of a provision of law described in section
 17 8347(o), and

18 ''(ii) whose employment (as described in section
 19 8347(o)) is also employment for purposes of title II
 20 of the Social Security Act and chapter 21 of the
 21 Internal Revenue Code of 1986; and

22 ''(B) the term 'Federal wages', as applied with
 23 respect to any individual to whom this subsection applies
 24 as a result of subparagraph (A), means basic pay for any

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1 employment referred to in subparagraph (A)(ii).''.

2 (2) BENEFITS.--Section 8349 is amended by adding at
3 the end the following:

4 `` (d) In administering subsections (a) through (c)--

5 `` (1) the terms 'an individual under section
6 8402(b)(2)' and 'an individual described in section
7 8402(b)(2)' shall each be considered to include any
8 individual--

9 `` (A) who is subject to this subchapter as a
10 result of any provision of law described in section
11 8347(o), and

12 `` (B) whose employment (as described in section
13 8347(o)) is also employment for purposes of title II
14 of the Social Security Act and chapter 21 of the
15 Internal Revenue Code of 1986; and

16 `` (2) the term 'Federal service', as applied with
17 respect to any individual to whom this section applies as
18 a result of paragraph (1), means any employment referred
19 to in paragraph (1)(B) performed after December 31,
20 1983.''.

21 **SEC. 9. CONTINUED COVERAGE UNDER CERTAIN FEDERAL EMPLOYEE**
22 **BENEFIT PROGRAMS FOR CERTAIN EMPLOYEES OF SAINT**
23 **ELIZABETHS HOSPITAL.**

24 (a) IN GENERAL.--Section 207 of the Federal Employees'
25 Retirement System Act of 1986 (Public Law 99-335; 100 Stat.

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1 594) is amended by adding at the end the following:

2 “(o) An employee of Saint Elizabeths Hospital who is
3 appointed to a position in the government of the District of
4 Columbia on October 1, 1987, pursuant to the Saint Elizabeths
5 Hospital and District of Columbia Mental Health Services Act
6 (Public Law 98-621; 98 Stat. 3369 and following) shall, for
7 purposes of chapters 83, 87, and 89 of title 5, United States
8 Code, be treated in the same way as an individual first
9 employed by the government of the District of Columbia before
10 October 1, 1987.”.

11 (b) The amendment made by this section shall be effective
12 as of October 1, 1987.

13 **SEC. 10. CREDITABILITY UNDER CSRS OF CERTAIN SERVICE**

14 **PERFORMED UNDER A PERSONAL SERVICE CONTRACT**
15 **WITH THE UNITED STATES.**

16 (a) IN GENERAL.--

17 (1) CONDITIONS FOR RECEIVING CREDIT.--Subject to the
18 making of a deposit under section 8334(c) of title 5,
19 United States Code, upon application to the Office of
20 Personnel Management within 2 years after the date of the
21 enactment of this Act, any individual who is an employee
22 (as defined by section 8331(1) or 8401(11) of such title)
23 on such date shall be allowed credit under subchapter III
24 of chapter 83 of such title for any service if such
25 service was performed--

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1 (A) before November 5, 1985; and

2 (B) under a personal service contract with the
3 United States, except as provided in paragraph (3).

4 (2) CERTIFICATION.--

5 (A) IN GENERAL.--The Office shall, with respect
6 to any service for which credit is sought under this
7 subsection, accept the certification of the head of
8 the agency which was party to the contract referred
9 to in paragraph (1)(B), but only if such
10 certification--

11 (i) states that the agency had intended,
12 through such contract, that the individual
13 involved (or that persons like the individual
14 involved) be considered as having been appointed
15 to a position in the civil service; and

16 (ii) indicates the period of service which
17 was performed under the contract by the
18 individual involved, and includes copies of
19 appropriate records or other documentation to
20 support the determination as to the length of
21 such period.

22 (B) FINALITY.--A decision by an agency head
23 concerning whether or not to make a certification
24 under this paragraph in any particular instance shall
25 be at the sole discretion of the agency head, and

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1 shall not be subject to administrative or judicial
2 review.

3 (3) EXCEPTION.--Nothing in this subsection shall
4 apply with respect to any service performed under--

5 (A) a contract for which any appropriations,
6 allocations, or funds were used under section
7 636(a)(3) of the Foreign Assistance Act of 1961; or

8 (B) a contract entered into under section
9 10(a)(5) of the Peace Corps Act.

10 (b) APPLICABILITY TO ANNUITANTS.--

11 (1) IN GENERAL.--In the case of any individual who--

12 (A) performed service for which credit is
13 allowable under subsection (a), and

14 (B) retired on an annuity payable under
15 subchapter III of chapter 83 of title 5, United
16 States Code, after January 23, 1980, and before the
17 date of the enactment of this Act,

18 any annuity under such subchapter based on the service of
19 such individual shall be redetermined to take into
20 account the amendment made by subsection (a) if
21 application therefor is made, and the deposit requirement
22 under such subsection is met, within 1 year after the
23 date of the enactment of this Act.

24 (2) AMOUNTS TO WHICH APPLICABLE.--Any change in an
25 annuity resulting from a redetermination under paragraph

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1 (1) shall be effective with respect to payments accruing
 2 for months beginning after the date of the enactment of
 3 this Act.

4 **SEC. 11. EXCLUSION OF FOREIGN NATIONAL EMPLOYEES UNDER CSRS**
 5 **FROM PARTICIPATING IN THE THRIFT SAVINGS PLAN.**

6 (a) IN GENERAL.--Section 8351 is amended--

7 (1) by redesignating subsection (c) as subsection
 8 (d); and

9 (2) by inserting after subsection (b) the following:

10 `` (c) A member of the Foreign Service described in
 11 section 103(6) of the Foreign Service Act of 1980 shall be
 12 ineligible to make any election under this section.``.

13 (b) EFFECTIVE DATE.--The amendments made by subsection

14 (a) shall be effective as of March 31, 1987. Any refund which
 15 becomes payable as a result of the preceding sentence shall,
 16 to the extent that such refund involves an individual's
 17 contributions to the Thrift Savings Fund (established under
 18 section 8437 of title 5, United States Code), be adjusted to
 19 reflect any earnings attributable thereto.

20 **SEC. 12. FOREIGN NATIONAL EMPLOYEES APPOINTED AFTER SEPTEMBER**
 21 **1987 EXCLUDED FROM CSRS.**

22 Section 8331(1) is amended--

23 (1) by striking ``or`` at the end of clause (x);

24 (2) by striking the period at the end of clause (xi)

25 and inserting in lieu thereof ``; or``; and

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1 (3) by adding after clause (xi) the following:
 2 (xii) a member of the Foreign Service (as
 3 described in section 103(6) of the Foreign Service
 4 Act of 1980), appointed after December 31, 1987."

5 **SEC. 13. EXCLUSION OF FOREIGN NATIONAL EMPLOYEES FROM FERS.**

6 (a) **NO ELECTION TO CONVERT FROM CSRS.--**

7 (1) **IN GENERAL.--**Section 301(a) of the Federal
 8 Employees' Retirement System Act of 1986 (Public Law 99-
 9 335; 100 Stat. 599) is amended by adding at the end the
 10 following:

11 (3) A member of the Foreign Service described in
 12 section 103(6) of the Foreign Service Act of 1980 shall be
 13 ineligible to make any election under this subsection."

14 (2) **EFFECTIVE DATE.--**The amendment made by paragraph
 15 (1) shall be effective as of June 30, 1987. Any refund
 16 which becomes payable as a result of the preceding
 17 sentence shall, to the extent that such refund involves
 18 an individual's contributions to the Thrift Savings Fund
 19 (established under section 8437 of title 5, United States
 20 Code), be adjusted to reflect any earnings attributable
 21 thereto.

22 (b) **EXCLUSION FROM FERS.--**

23 (1) **IN GENERAL.--**Section 8401(11) is amended--

24 (A) by striking "or" at the end of clause

25 (i)(III);

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1 (B) by inserting ``or`` after the semicolon in
2 clause (ii); and

3 (C) by adding at the end the following:

4 `` (iii) a member of the Foreign Service described
5 in section 103(6) of the Foreign Service Act of
6 1980; ``.

7 (2) EFFECTIVE DATE.--The amendments made by paragraph
8 (1) shall be effective as of January 1, 1987. Any refund
9 which becomes payable as a result of the preceding
10 sentence shall, to the extent that such refund involves
11 an individual's contributions to the Thrift Savings Fund
12 (established under section 8437 of title 5, United States
13 Code), be adjusted to reflect any earnings attributable
14 thereto.

15 SEC. 14. EXCLUSION OF CERTAIN ONE-TIME GOVERNMENT

16 CONTRIBUTIONS TO THRIFT SAVINGS PLAN.

17 Section 8432(d) is amended by adding at the end the
18 following: ``However, no contribution made under subsection
19 (c)(3) shall be subject to, or taken into account, for
20 purposes of the preceding sentence.``.

21 SEC. 15. GOVERNMENT'S 1 PERCENT THRIFT CONTRIBUTION NOT

22 FORFEITABLE FOR DEATH IN SERVICE.

23 Section 8432(g) is amended--

24 (1) in paragraph (1), by striking ``Except as
25 provided in paragraphs (2) and (3),`` and inserting in

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1 lieu thereof ``Except as otherwise provided in this
2 subsection,``; and

3 (2) by adding at the end the following:

4 `` (4) Nothing in paragraph (2) or (3) shall cause the
5 forfeiture of any contributions made for the benefit of an
6 employee, Member, or Congressional employee under subsection
7 (c)(1), or any earnings attributable thereto, if such
8 employee, Member, or Congressional employee is not separated
9 from Government employment as of date of death.``.

10 **SEC. 16. CLARIFICATION RELATING TO AMOUNTS SUBJECT TO LEGAL**

11 **PROCESS FOR CHILD SUPPORT OR ALIMONY.**

12 Section 8437(e)(3) is amended by adding at the end the
13 following: ``For the purposes of this paragraph, an amount
14 contributed for the benefit of an individual under section
15 8432(c)(1) (including any earnings attributable thereto)
16 shall not be considered part of the balance in such
17 individual's account unless such amount is nonforfeitable, as
18 determined under applicable provisions of section 8432(g).``.

19 **SEC. 17. CLARIFICATION RELATING TO SOURCE OF FUNDING FOR**

20 **ADMINISTRATIVE EXPENSES OF THE THRIFT SAVINGS**

21 **PLAN.**

22 Section 8437 is amended--

23 (1) in subsection (d), by inserting a period after
24 ``earnings in such Fund`` and by striking the matter
25 thereafter; and

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1 (2) in subsection (e)(1), by inserting ``subsection
2 (d) and'' before ``paragraphs (2) and (3),''.

3 **SEC. 18. EXCLUSION FROM AGE-BASED REDUCTION UNDER CHAPTER 83**
4 **FOR CSRS PORTION OF ANNUITY MADE SUBJECT TO**
5 **REDUCTION UNDER CHAPTER 84 FOLLOWING AN**
6 **ELECTION INTO FERS.**

7 Section 302(a)(4) of the Federal Employees' Retirement
8 System Act of 1986 (Public Law 99-335; 100 Stat. 603) is
9 amended by adding at the end the following: ``Notwithstanding
10 the preceding sentence, in computing accrued benefits under
11 this paragraph for an individual retiring under section
12 8412(g) or 8413(b) of title 5, United States Code, section
13 8339(h) of such title (relating to reductions based on age at
14 date of separation) shall not apply.''.

15 **SEC. 19. INTEREST ON REFUNDS OF CERTAIN EXCESS CONTRIBUTIONS**
16 **BY INDIVIDUALS MAKING ELECTIONS UNDER TITLE III**
17 **OF THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM ACT**
18 **OF 1986.**

19 (a) **FOR INDIVIDUALS ELECTING FERS COVERAGE.**--Section
20 302(c)(2) of the Federal Employees' Retirement System Act of
21 1986 (Public Law 99-335; 100 Stat. 605), as amended by
22 section 302(a) of the Federal Employees' Retirement System
23 Technical Corrections Act of 1986 (Public Law 99-556; 100
24 Stat. 3136), is amended to read as follows:

25 ``(2) In accordance with regulations prescribed by the

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1 Office of Personnel Management, a refund under this
2 subsection shall be payable upon written application therefor
3 filed with the Office and shall include interest at the rate
4 provided in section 8334(e)(3) of title 5, United States
5 Code. Interest on the refund shall accrue monthly and shall
6 be compounded annually."

7 (b) FOR INDIVIDUALS ELECTING COVERAGE UNDER CSRS WITH
8 OFFSETS FOR SOCIAL SECURITY.--The last sentence of section
9 303(a) of the Federal Employees' Retirement System Act of
10 1986 (Public Law 99-335; 100 Stat. 605), as added by section
11 302(b) of the Federal Employees' Retirement System Technical
12 Corrections Act of 1986 (Public Law 99-556; 100 Stat. 3136),
13 is amended to read as follows: "A refund under this
14 subsection shall be computed with interest in accordance with
15 section 302(c)(2) and regulations prescribed by the Office of
16 Personnel Management."

17 **SEC. 20. EFFECTIVE DATE OF FINAL MERIT INCREASE UNDER THE**
18 **PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM**
19 **FOR EMPLOYEES OF SAINT ELIZABETHS HOSPITAL.**

20 (a) IN GENERAL.--Notwithstanding any other provision of
21 law, the effective date of any merit increase under section
22 5404 of title 5, United States Code, during calendar year
23 1987 shall, in the case of any individual employed in or
24 under Saint Elizabeths Hospital on September 1, 1987, be
25 considered to be the first day of the first applicable pay

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1 period commencing on or after September 1 (rather than
2 October 1) of such year.

3 (b) DEFINITION.--For purposes of this section, ``Saint
4 Elizabeths Hospital'' refers to the institution identified
5 under section 3(1) of the Saint Elizabeths Hospital and
6 District of Columbia Mental Health Services Act (Public Law
7 98-621; 98 Stat. 3371).

8 **SEC. 21. DEADLINE FOR AGENCY CONTRIBUTIONS TO THRIFT SAVINGS**
9 **PLAN.**

10 (a) THE 1-PERCENT CONTRIBUTION.--Section 8432(c)(1)(A) is
11 amended--

12 (1) by striking ``At the end of'' and inserting in
13 lieu thereof ``At the time prescribed by the Executive
14 Director, but no later than 12 days after the end of'';
15 and

16 (2) by striking ``at the end of each succeeding pay
17 period,'' and inserting in lieu thereof ``within such
18 time as the Executive Director may prescribe with respect
19 to succeeding pay periods (but no later than 12 days
20 after the end of each such pay period),''.

21 (b) AMOUNTS BASED ON INDIVIDUAL CONTRIBUTIONS.--The
22 second sentence of section 8432(c)(2)(A) is amended by
23 striking ``at the end of such pay period.'' and inserting in
24 lieu thereof ``within such time as the Executive Director may
25 prescribe, but no later than 12 days after the end of each

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1 such pay period.''.
2

3 **SEC. 22. AMENDMENTS RELATING TO DISABILITY ANNUITIES**

4 (a) INITIAL DISABILITY ANNUITY OFFSET TO BE BASED ON
5 ACTUAL SOCIAL SECURITY DISABILITY INSURANCE BENEFIT; AMOUNT
6 OF OFFSET NOT SUBJECT TO ADJUSTMENT UNTIL AFTER THE FIRST
7 YEAR.--Section 8452(a)(2)(B)(i) of title 5, United States
8 Code, is amended to read as follows:

9 '(B)(i) For purposes of this paragraph, the assumed
10 disability insurance benefit of an annuitant for any month
11 shall be equal to--

12 '(I) the amount of the disability insurance benefit
13 to which the annuitant is entitled under section 223 of
14 the Social Security Act for the month in which the
15 annuity under this subchapter commences, or is restored,
16 or, if no entitlement to such disability insurance
17 benefits exists for such month, the first month
18 thereafter for which the annuitant is entitled both to an
19 annuity under this subchapter and disability insurance
20 benefits under section 223 of the Social Security Act,
21 adjusted by

22 '(II) all adjustments made under section 8462(b)
23 after the end of the period referred to in paragraph
24 (1)(A)(i) (or, if later, after the end of the month
25 preceding the first month for which the annuitant is
entitled both to an annuity under this subchapter and

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1 disability insurance benefits under section 223 of the
2 Social Security Act) and before the start of the month
3 involved (without regard to whether the annuitant's
4 annuity was affected by any of those adjustments).''.

5 (b) REVISED METHOD FOR REDETERMINING A DISABILITY ANNUITY

6 AT AGE 62.--Section 8452(b) of title 5, United States Code,
7 is amended to read as follows:

8 `` (b)(1) Except as provided in subsection (d), if an
9 annuitant is entitled to an annuity under this subchapter as
10 of the day before the date of the sixty-second anniversary of
11 the annuitant's birth (hereinafter in this section referred
12 to as the annuitant's 'redetermination date'), such annuity
13 shall be redetermined by the Office in accordance with
14 paragraph (2). Effective as of the annuitant's
15 redetermination date, the annuity (as so redetermined) shall
16 be in lieu of any annuity to which such annuitant would
17 otherwise be entitled under this subchapter.

18 `` (2)(A) An annuity redetermined under this subsection
19 shall be equal to the amount of the annuity to which the
20 annuitant would be entitled under section 8415, taking into
21 account the provisions of subparagraph (B).

22 `` (B) In performing a computation under this paragraph--

23 `` (i) creditable service of an annuitant shall be
24 increased by including any period (or periods) before the
25 annuitant's redetermination date during which the

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1 annuitant was entitled to an annuity under this
2 subchapter; and

3 `` (ii) the average pay which would otherwise be used
4 shall be adjusted to reflect all adjustments made under
5 section 8462(b) with respect to any period (or periods)
6 referred to in clause (i) (without regard to whether the
7 annuitant's annuity was affected by any of those
8 adjustments). ``.

9 (c) METHOD FOR APPLYING COST-OF-LIVING ADJUSTMENTS TO
10 CERTAIN DISABILITY ANNUITY PROVISIONS.--

11 (1) MINIMUM DISABILITY ANNUITY AMOUNT SUBJECT TO
12 ADJUSTMENT AFTER THE FIRST YEAR.--Section 8452 is
13 amended--

14 (A) by redesignating subsection (d) as subsection
15 (d)(1); and

16 (B) by adding after subsection (d)(1), as so
17 redesignated, the following:

18 `` (2) In applying this subsection with respect to any
19 annuitant, the amount of an annuity so computed under section
20 8415 shall be adjusted under section 8462 (including
21 subsection (c) thereof)--

22 `` (A) to the same extent, and otherwise in the same
23 manner, as if it were an annuity--

24 `` (i) subject to adjustment under such section;
25 and

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1 “(ii) with a commencement date coinciding with
2 the date the annuitant's annuity commenced or was
3 restored under this subchapter, as the case may be;
4 and

5 “(B) whether the amount actually payable to the
6 annuitant under this section in any month is determined
7 under this subsection or otherwise.”.

8 (2) DISABILITY ANNUITY COLAS.--

9 (A) IN GENERAL.--Section 8452(a)(1)(B) of title
10 5, United States Code, is amended to read as follows:

11 “(B) An annuity computed under this paragraph--

12 “(i) shall not, during any period referred to in
13 subparagraph (A)(i), be adjusted under section 8462; but

14 “(ii) shall, after the end of any period referred to
15 in subparagraph (A)(i), be adjusted to reflect all
16 adjustments made under section 8462(b) after the end of
17 the period referred to in subparagraph (A)(i), whether
18 the amount actually payable to the annuitant under this
19 section in any month is determined under this subsection
20 or otherwise.”.

21 (B) CLARIFYING AMENDMENT.--Section 8452(a) of
22 title 5, United States Code, is amended by adding at
23 the end the following:

24 “(3) Section 8462 shall apply with respect to amounts
25 under this subsection only as provided in paragraphs (1) and

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1 (2).''.

2 (d) EFFECTIVE DATE.--The amendments made by this section
3 shall be effective as of January 1, 1987, as if they had been
4 enacted as part of the Federal Employees' Retirement System
5 Act of 1986 (Public Law 99-335; 100 Stat. 514 and following).

6 SEC. 23. CLARIFYING AMENDMENTS RELATING TO FUNDING.

7 (a) FUND BALANCE.--Section 8331(18) is amended by adding
8 at the end the following:

9 ``but does not include any amount attributable to--

10 `` (i) the Federal Employees' Retirement System;

11 or

12 `` (ii) contributions made under the Federal
13 Employees' Retirement Contribution Temporary
14 Adjustment Act of 1983 by or on behalf of any
15 individual who became subject to the Federal
16 Employees' Retirement System;''.

17 (b) Section 8423(b)(1) is amended by striking the period
18 and inserting in lieu thereof `` , except that in computing
19 any supplemental liability under subparagraph (B), any
20 benefits, deductions, or other amounts may not be taken into
21 account unless they relate to a period of service performed
22 by the current or former employee involved while subject to
23 this chapter.''.

24 SEC. 24. CONCURRENT ENTITLEMENT TO BENEFITS UNDER CHAPTER 81
25 AND CHAPTER 83 OR 84 OF TITLE 5, UNITED STATES

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1 CODE.

2 (a) IN GENERAL.--

3 (1) AMENDMENTS.--

4 (A) CSRS.--Section 8337 is amended by striking
5 subsections (f) and (g) and inserting in lieu thereof
6 the following:

7 `` (f) (1) An individual is not entitled to receive--

8 `` (A) an annuity under this subchapter, and

9 `` (B) compensation for injury to, or disability of,
10 such individual under subchapter I of chapter 81, other
11 than compensation payable under section 8107,
12 covering the same period of time.

13 `` (2) An individual is not entitled to receive an annuity
14 under this subchapter and a concurrent benefit under
15 subchapter I of chapter 81 on account of the death of the
16 same person.

17 `` (3) Paragraphs (1) and (2) do not bar the right of a
18 claimant to the greater benefit conferred by either this
19 subchapter or subchapter I of chapter 81.

20 `` (g) If an individual is entitled to an annuity under
21 this subchapter, and the individual receives a lump-sum
22 payment for compensation under section 8135 based on the
23 disability or death of the same person, so much of the
24 compensation as has been paid for a period extended beyond
25 the date payment of the annuity commences, as determined by

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1 the Department of Labor, shall be refunded to that Department
 2 for credit to the Employees' Compensation Fund. Before the
 3 individual may receive the annuity, the individual shall--

4 “(1) refund to the Department of Labor the amount
 5 representing the commuted compensation payments for the
 6 extended period; or

7 “(2) authorize the deduction of the amount from the
 8 annuity.

9 Deductions from the annuity may be made from accrued or
 10 accruing payments. The amounts deducted and withheld from the
 11 annuity shall be transmitted to the Department of Labor for
 12 reimbursement to the Employees' Compensation Fund. When the
 13 Department of Labor finds that the financial circumstances of
 14 an individual entitled to an annuity under this subchapter
 15 warrant deferred refunding, deductions from the annuity may
 16 be prorated against and paid from accruing payments in such
 17 manner as the Department determines appropriate.”.

18 (B) FERS.--Subchapter VI of chapter 84 is amended
 19 by inserting after section 8464 the following:

20 “§8464a. Relationship between annuity and workers'
 21 compensation

22 “(a)(1) An individual is not entitled to receive--

23 “(A) an annuity under subchapter II or V, and

24 “(B) compensation for injury to, or disability of,
 25 such individual under subchapter I of chapter 81, other

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1 than compensation payable under section 8107,

2 covering the same period of time.

3 ``(2) An individual is not entitled to receive an annuity
4 under subchapter IV and a concurrent benefit under subchapter
5 I of chapter 81 on account of the death of the same person.

6 ``(3) Paragraphs (1) and (2) do not bar the right of a
7 claimant to the greater benefit conferred by either this
8 chapter or subchapter I of chapter 81.

9 ``(b) If an individual is entitled to an annuity under
10 subchapter II, IV, or V, and the individual receives a lump-
11 sum payment for compensation under section 8135 based on the
12 disability or death of the same person, so much of the
13 compensation as has been paid for a period extended beyond
14 the date payment of the annuity commences, as determined by
15 the Department of Labor, shall be refunded to that Department
16 for credit to the Employees' Compensation Fund. Before the
17 individual may receive the annuity, the individual shall--

18 ``(1) refund to the Department of Labor the amount
19 representing the commuted compensation payments for the
20 extended period; or

21 ``(2) authorize the deduction of the amount from the
22 annuity.

23 Deductions from the annuity may be made from accrued or
24 accruing payments. The amounts deducted and withheld from the
25 annuity shall be transmitted to the Department of Labor for

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1 reimbursement to the Employees' Compensation Fund. When the
 2 Department of Labor finds that the financial circumstances of
 3 an individual entitled to an annuity under subchapter II, IV,
 4 or V warrant deferred refunding, deductions from the annuity
 5 may be prorated against and paid from accruing payments in
 6 such manner as the Department determines appropriate.''.
 7

8 (2) CHAPTER ANALYSIS.--The analysis for chapter 84 is
 9 amended by inserting after the item relating to section
 8464 the following:

``8464a. Relationship between annuity and workers'
 compensation.''.
 10

11 (b) TECHNICAL AND CONFORMING AMENDMENTS.--

12 (1) Subchapter V of chapter 84 is amended--

13 (A) by striking section 8456; and

14 (B) by redesignating section 8457 as section
 8456.

15 (2) The analysis for chapter 84 is amended--

16 (A) by striking the item relating to section
 17 8456; and

18 (B) by striking ``8457'' and inserting in lieu
 19 thereof ``8456''.

20 (c) EFFECTIVE DATE.--

21 (1) IN GENERAL.--Except as provided in paragraph (2),
 22 the amendments made by this section shall be effective as
 23 of January 1, 1987, and shall apply with respect to

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1 benefits payable based on a death or disability occurring
2 on or after that date.

3 (2) EXCEPTION.--The amendment made by subsection
4 (a)(1)(A) shall take effect on the date of the enactment
5 of this Act and shall apply with respect to benefits
6 payable based on a death or disability occurring on or
7 after that date.

8 **SEC. 25. ELIGIBILITY OF CERTAIN INDIVIDUALS TO PARTICIPATE IN**
9 **THE THRIFT SAVINGS PLAN.**

10 (a) DEFINITIONS.--For purposes of this section--

11 (1) the term ``Executive Director`` means the
12 Executive Director under section 8474 of title 5, United
13 States Code; and

14 (2) the term ``Thrift Savings Plan`` refers to the
15 program under subchapter III of chapter 84 of title 5,
16 United States Code.

17 (b) REGULATIONS.--

18 (1) IN GENERAL.--The Executive Director shall
19 prescribe regulations relating to participation in the
20 Thrift Savings Plan by an individual described in
21 subsection (c).

22 (2) SPECIFIC MATTERS TO BE INCLUDED.--Under the
23 regulations--

24 (A) in computing a percentage of basic pay to
25 determine an amount to be contributed to the Thrift

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1 Savings Fund, the rate of basic pay to be used shall
2 be the same as that used in computing any amount
3 which the individual involved is otherwise required,
4 as a condition for participating in the Civil Service
5 Retirement System or the Federal Employees'
6 Retirement System (as the case may be), to contribute
7 to the Civil Service Retirement and Disability Fund;
8 and

9 (B) an employing authority which would not
10 otherwise make contributions to the Thrift Savings
11 Fund shall be allowed, with respect to any individual
12 under subsection (c) who is serving under such
13 authority, and at the sole discretion of such
14 authority, to make any contributions on behalf of
15 such individual which would be permitted or required
16 under the provisions of section 8432(c) of title 5,
17 United States Code, if such authority were the
18 individual's employing agency under such provisions.

19 (c) APPLICABILITY.--This section applies with respect to
20 any individual participating in the Civil Service Retirement
21 System or the Federal Employees' Retirement System as--

22 (1) an individual who has entered on approved leave
23 without pay to serve as a full-time officer or employee
24 of an organization composed primarily of employees (as
25 defined by section 8331(1) or 8401(11) of title 5, United

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1 States Code);

2 (2) an individual assigned from a Federal agency to a
3 State or local government under subchapter VI of chapter
4 33 of title 5, United States Code; or

5 (3) an individual appointed or otherwise assigned to
6 one of the cooperative extension services, as defined by
7 section 1404(5) of the National Agricultural Research,
8 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
9 3103(5)).

10 (d) EFFECTIVE DATE.--

11 (1) IN GENERAL.--Except as provided in paragraph (2),
12 the regulations prescribed under this section shall
13 become effective in accordance with the provisions of
14 such regulations.

15 (2) EXCEPTION.--The regulations prescribed under this
16 section shall, with respect to individuals under
17 subsection (c)(3), be effective as of April 1, 1987.

18 **SEC. 26. SPECIAL PAY OF VETERANS' ADMINISTRATION PHYSICIANS**
19 **INCLUDED IN AVERAGE SALARY UNDER FERS.**

20 Section 4118(f) of title 38, United States Code, is
21 amended--

22 (1) in paragraph (1), by striking ``81 or 83'' and
23 inserting in lieu thereof ``81, 83, or 84''; and

24 (2) in paragraph (2)--

25 (A) in the first sentence, by striking ``chapter

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1 83 of title 5'' and inserting in lieu thereof
 2 ``chapter 83 or 84 of title 5, as the case may be'';
 3 (B) in the second sentence, by striking ``section
 4 8331(4)'' and all that follows thereafter through ``;
 5 or'' and inserting in lieu thereof the following:
 6 ``section 8331(4) or 8401(3) of such title (as
 7 applicable) only--
 8 `` (A) for the purposes of computing benefits paid
 9 under section 8337, 8341(d) or (e), 8442(b), 8443, or
 10 8451 of such title; or''; and
 11 (C) in subparagraph (B), by inserting ``if'' at
 12 the beginning thereof.

13 **SEC. 27. APPLICATION DEADLINE FOR CERTAIN FORMER SPOUSES.**
 14 Section 4(b)(1)(B) of the Civil Service Retirement Spouse
 15 Equity Act of 1984 (Public Law 98-615; 98 Stat. 3205), as
 16 amended by section 201(b)(1)(C) of the Federal Employees
 17 Benefits Improvement Act of 1986 (Public Law 99-251; 100
 18 Stat. 22), is amended--

19 (1) in clause (i), by inserting `` , and before May 8,
 20 1987'' before the semicolon; and

21 (2) by amending clause (iv) to read as follows:

22 `` (iv) the former spouse files an application for
 23 the survivor annuity with the Office on or before May
 24 7, 1989; and''.